GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1365
ANSWERED ON:02.05.2016
Agreement by Petronet LNG with RasGas
Hari Shri G.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Petronet LNG Limited has signed a revised contract/agreement with RasGas of Qatar and if so, the details thereof and the benefits likely to accrue to the country therefrom; and
(b) whether the Petronet LNG Limited has negotiated with RasGas of Qatar to waive off penalties for breaking a long-term contract of LNG and if so, the details thereof and the response of RasGas thereto?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS(SHRI DHARMENDRA PRADHAN)
(a) Petronet LNG Limited (PLL) has signed a revised contract with RasGas of Qatar. Petronet LNG Limited has a 7.5 MMTPA FOB LNG supply agreement with RasGas, Qatar on long term basis for 25 years. The supply under this agreement commenced in 2004. PLL has successfully negotiated the revised price formula for the said contract effective from 1st January, 2016 thereby aligning prices with the world gas market. Further, PLL has executed agreement for additional supply of 1.0 MMTPA of LNG from RasGas, Qatar for a period of about 12 years w.e.f. January 1, 2016 at the prevailing market prices. Earlier the prices during 2015 were in excess of USD 12/MMBtu. The current price applicable under the contract works out to less than USD 5.00MMBtu based on prevailing crude prices. This revision has led to making LNG cheaper for the end consumers.
(b) RasGas and Petronet LNG Limited agreed to reschedule the LNG quantity not taken by Petronet LNG Limited during 2015 to a future period and RasGas has agreed to waive the take or pay liability under the contract for the year 2015.